RETIREMENTS USING TRANS CODES

<u>Assets Added in Error-</u>These are assets which have been added to the General Ledger with incorrect information and cannot be corrected through an adjustment or transfer. The assets should be retired from the AM module and Express added with the correct information. In order for the accounting records to accurately reflect AM activity and balances, the asset account balances for the retirements should be removed from the General Ledger.

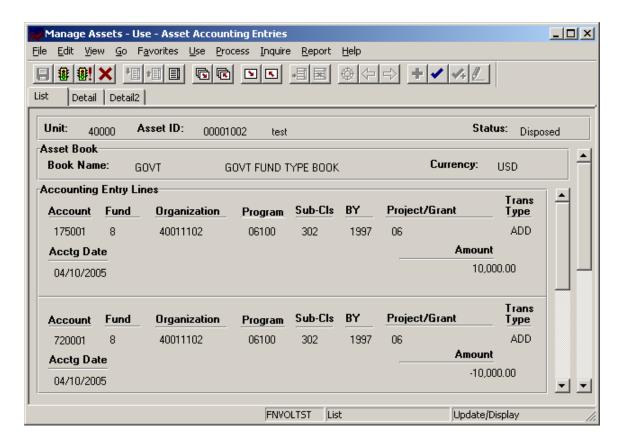
To assist end-users in accounting for assets added in error, Trans Codes have been added for certain types of transactions. The Trans Codes are located on the Retirements panel under the Edit Trans Info button. When choosing a Trans Code, choose the one that has a description that begins with the Asset Category for the retirement. For example, if an asset is in the category of M&E, then select the Trans Code with the description of "M&E Added in Error." Trans Codes are available for categories M&E, M&EZ, BLDG, BLDGZ, IMPR, IMPRZ, INFR, and INFRZ. Trans Codes should only be utilized if one of the following situations occurs. 1) Trans Codes can be utilized for an asset Added in Error when the asset add and retirement occur in the same month. 2) Trans Codes can also be utilized for assets added in error when the asset is not fully depreciated, has not been adjusted or transferred, the Trans Date on the add is equal to the In Service Date, and the asset add and retirement occur in the same Fiscal Year. If assets are added in error that do not posses these characteristics, retire them in the same manner as a normal retirement and take manual action to correct the General Ledger. See below for examples on retiring assets added in error.

1) Proposed Accounting Entries w/ Trans Code-

Ex: 5 year computer >5000 added:
Book-GOVT
Category-M&E
Profile ID-COMPEQUIP
Asset Added and Retired in Same Month (No Depr. Entries have occurred)

ADD ENTRIES Accounting Date-04/10/2005 Trans Date-04/10/2005 InSvcDt- 04/10/2005

	<u>DR</u>	<u>CR</u>
FIXED ASSET	175001	
CONTRA ASSET		720001



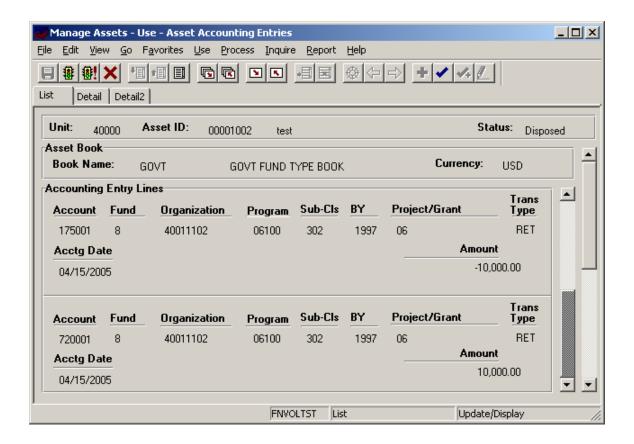
RETIREMENT ENTRIES

Accounting Date-04/15/2005

Trans Date-04/10/2005

Trans Code-RET, Desc.-M&E Added in Error

 $\begin{array}{ccc} & \underline{DR} & \underline{CR} \\ \text{CONTRA ASSET} & 720001 \\ \text{FIXED ASSET} & 175001 \end{array}$



2) Proposed Accounting Entries w/ Trans Code-

Ex: Computer>5,000 added:

Book-GOVT

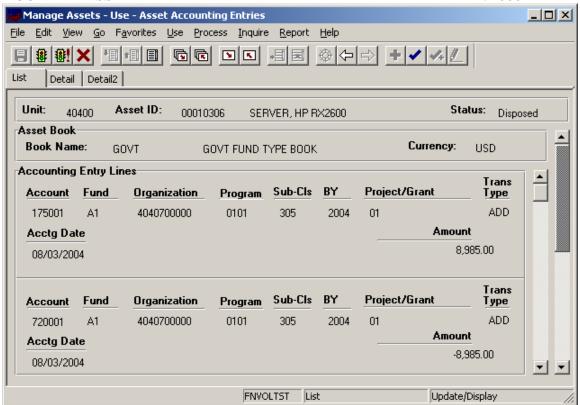
Category-M&E

Profile ID-COMPEQUIP

Asset is not fully depreciated, has not been adjusted, or transferred, has a Trans Dt. = InSvcDt, and has the ADD and RETIRMENT occur in the same FY

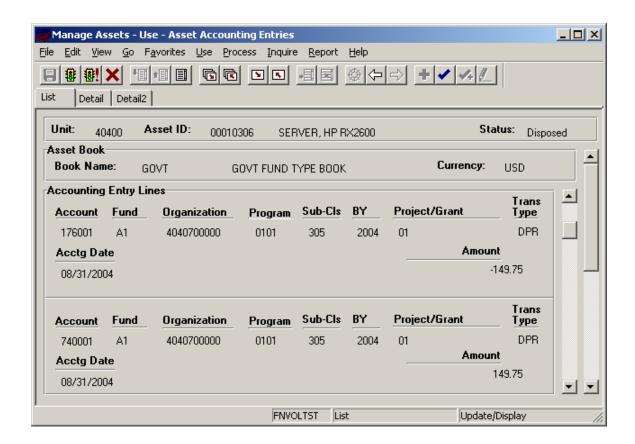
ADD ENTRIES

Accounting Date-08/03/2004 Trans Date-07/20/2004 InSvcDt- 07/20/2004 CONTRA ASSET 720001



DEPRECIATION ENTRIES AT MONTH END

<u>DR</u>
DEPR EXPENSE 740001
ACCUM DEPR 176001



RETIREMENT ENTRIES

Accounting Date-03/15/2005

Trans Date-07/20/2004**

Trans Code-RET, Desc.-M&E Added in Error

**Trans Date must be backed up to the InSvcDt on the Asset ADD in order to back out depreciation which has occurred.

 $\begin{array}{ccc} & \underline{DR} & \underline{CR} \\ \text{CONTRA ASSET} & 720001 & & \\ \text{FIXED ASSET} & & 175001 \end{array}$

